

# Memorandum



**Date:** February 15, 2006

IRCA

Agenda Item No. 5 (F)

**To:** Honorable Carlos Alvarez, Mayor  
Honorable Chairman Joe A. Martinez  
and Members, Board of County Commissioners

**From:** George M. Burgess  
County Manager

**Subject:** Ballpark Project Update Report

Pursuant to Resolution No. R-1384-05 approved by the Board on December 8, 2005, the purpose of this memorandum is to provide you with alternatives for the development of a new ballpark for the Florida Marlins (Marlins). It is intended to provide a current assessment of the project and to outline possible options for your consideration. None of these options are easy and many, for various reasons, will be viewed as unrealistic. However, if this community, the Marlins, and key business partners want the Marlins to remain in South Florida, a reasonable solution is not an impossibility.

## **BACKGROUND**

In my September 13, 2005 memo (see attached), I provided the Mayor and Board with an assessment of the ballpark project as well as options we had discussed with the City of Miami (City) and the Marlins. As I advised you in that report, the discussions the City and County had with the team did not produce a viable solution and the team indicated its reluctance to continue to work to find a way to resolve the issues surrounding the project.

As you are aware, shortly thereafter, on November 21, 2005, the Marlins indicated that there will be no baseball stadium in the City of Miami. In addition to expanding its search for ballpark sites outside of the City, the Marlins asked for, and received, permission from Major League Baseball (MLB) to explore relocation. The team's announcement did not bode well for many and some see such a move as nothing more than a negotiating tactic. As I have stated before, I respect the team's decision to do what it feels is in the best interest of the organization under the circumstances and do not view relocation as a way for the team to gain leverage on a new ballpark deal in Miami-Dade County. Under your leadership, throughout the course of this project the County has been a constant, straight-forward and committed partner, and has offered a significant amount of funding and financing support.

While the Marlins have and will continue to visit other cities in search of viable prospects for a new ballpark, I continue to believe that the Marlins' preference is to stay in South Florida and, in particular, Miami-Dade County. Nevertheless, with the Marlins' decision not to further consider a site in the City of Miami, the challenges facing the project regarding a site and funding have increased.

## **BALLPARK ALTERNATIVES FOR CONSIDERATION**

Attached to this report is an outline of various alternatives for the ballpark project. This outline profiles two groups of sites. The first group contains five alternatives and identifies issues regarding project costs, funding options and strategies, parking and transportation, land use and planning issues, advantages and disadvantages, timeline and other factors.

The second group of sites primarily consists of locations that were, at some point, previously considered for the ballpark. Most of the sites have pre-existing circumstances, including being located in the City of Miami, which limit their potential as viable alternatives for the ballpark. It should be noted that, in the context of this report, the review of the alternatives was somewhat limited due to time and resource constraints. One of the major issues facing the project, independent of location, is the construction cost of the ballpark. During Board discussion of my September 13, 2005 memo, I was directed not to further expend monies on outside resources on the project. Therefore, an independent review of the Marlins construction costs has not been done. The estimated cost figures in the attached outline include a reserve of \$50 million until such time that the Marlins' construction costs can be validated, if needed. Based on your feedback and direction on any of the alternatives, a more thorough analysis to fully vet project issues will need to be conducted.

#### Group 1 Alternatives

Two of the alternatives profiled in Group 1 reside at the Dolphin Stadium site. The first contemplates the option of developing a new ballpark on a parcel of land adjacent to the stadium. The ballpark could be positioned on the surface parking area immediately surrounding the ballpark, as opposed to placing the site on one of Huizenga Holdings privately owned parcels surrounding the stadium. This is County-owned land, for which Huizenga Holdings has a long-term lease with the County until 2083. Positioning the ballpark on the County land would preserve the private parcels surrounding the stadium for future private development. Since the site already supports a professional football stadium, there is excellent access and parking already in place. Replacement parking for surface parking spaces lost due to the development of a ballpark would need to be addressed with structured parking. One possibility to satisfy this could be to construct a transit commuter parking facility on the west side of the site for the planned NW 27th Avenue Metrorail expansion.

The inherent advantages to this alternative, with cooperation from Huizenga Holdings, are that there would be no land costs, the site is development ready and there would be sufficient time for construction. The location also provides benefits for the regional tri-county area and would create a unique sports and entertainment destination with opportunities for future development catering to the industry. There is also potential to create a sports and entertainment district in the immediate area in order to provide zoning, land use and financial incentives to support the facilities and spur future development. Such action would require state and local legislation.

A new ballpark at Dolphin Stadium, or any other location for that matter, does have funding challenges. As I mentioned, since the ballpark project will not be located in the City of Miami, City funds are not available. However, as you recall, under the terms of the Memorandum of Understanding (MOU) among the County, City and Marlins, \$60 million of Convention Development Tax (CDT) financing was approved to be issued by the City for the project. These CDT funds were previously allocated by the County to support the Miami Arena. In conjunction with the sale of the Miami Arena, the City, County and the Miami Sports & Exhibition Authority executed an Interlocal Agreement, which provided that the County redirect its allocation of CDT for the Arena to the City for the ballpark. If the ballpark project were to happen in the City, the annual CDT payments to the City would have been approximately \$5.5 million until year 2020. However, if the ballpark project does not take place in the City, the City's annual CDT allocation is reduced to \$2 million per year until year 2020 and such funds will be used by the City for Orange Bowl renovations. Therefore, the CDT previously committed to the Miami Arena, less \$2 million for the City, is now retained by the County. Given the fact that this CDT was previously pledged by way of a City debt issuance for the ballpark, these funds could continue to support the ballpark project and would provide approximately \$30 million in bonding capacity.

One project funding source available at the Dolphin Stadium site is baseball game day parking revenues. If the County controlled parking revenues, a portion of the revenues could be used to generate funds for the ballpark (approximately \$30 million) and the residual revenues, after debt service is paid, could be used to fund future capital needs of the ballpark (CAPEX), as well as allowing the team to retain a portion for its operations. Even if the County and Marlins were able to increase their contributions for the ballpark, Huizenga Holdings would have to provide financial support in order to help close the funding gap for the project. Another funding option that should be pursued is a financial contribution from Broward County. Broward residents make up a large portion of the Marlins fan base and are in close proximity to the site. Also, the County could again pursue state funding for the project.

An alternative option at the Dolphin Stadium site would be to make stadium improvements to Dolphin Stadium itself, including the addition of a retractable roof, in order to have a dual use facility. Stadium renovations would have to provide an environment for the Marlins to maximize baseball game revenues. Such improvements would include suite renovations and club and premium seating. The Marlins lease would have to be changed to allow the Marlins to retain all baseball-related revenues. The Marlins' position has always been that the main reasons for needing a new ballpark are South Florida's summer climate and its current lease at Dolphin Stadium. By eliminating climatic factors with a retractable roof, and giving the team control of baseball revenues generated from the stadium, the Marlins should be able to realize a very sustainable environment for the franchise.

The overriding advantage of a dual use stadium for the County is cost. The County's financial contribution would be greatly reduced and we would not be required to issue team rent bonds on behalf of the team. It would also greatly reduce the Marlins' contribution as well as the annual operating expenses to maintain a new ballpark. This would appear to put the team in a better financial position on an annual cash flow basis. While we do not know the exact cost to construct a fixed roof over the stadium, it is estimated to be in the range of \$130 - \$160 million. The cost of a retractable roof would likely be higher due to the length of the roof span, cost of steel and hurricane proofing requirements.

From a dollars and cents perspective, the dual use stadium option is extremely practical. Alternatively, a new ballpark adjacent to Dolphin Stadium could complement, as a sport and entertainment destination, Huizenga Holdings' planned improvements to Dolphin Stadium. Baseball produces 81 days a year of heavy fan traffic to the site, which would bring significant value added to future investments by Huizenga Holdings on its surrounding properties. Having outlined these Dolphin Stadium area options, the main obstacle remains the ability of the Marlins and officials from Huizenga Holdings to reach agreement. If both parties were committed to either of the options and Huizenga Holdings provides a portion of the funding for the new baseball stadium option, there would be a good chance for the project to work financially.

The third alternative in group 1 is to build a new ballpark directly east of the Miami Intermodal Center (MIC) site. This site, located in unincorporated Miami-Dade, is referred to as Metroplex and is extremely intriguing from a mass transit and joint development perspective. This alternative was brought to our attention by representatives from URS Corporation and the architectural firm Perez & Perez, who recently presented my office with materials and an overview of the site. The Metroplex site would take advantage of already funded transit and infrastructure projects, which will bring TriRail, Metrorail, Metrobus and the Miami International Airport (MIA) connector directly to the site. This type of direct mass transit access to the site would make the ballpark very accessible to the entire tri-county community. The ballpark would also provide a major catalytic anchor for the area

that could spur a host of development opportunities including entertainment, retail shopping, restaurants and bars, hospitality and business offices. The site also offers opportunity for marine activity with potential development on the Miami River and Palmer Lake.

However, due to its close proximity to MIA, this site presents some serious issues and challenges in developing a ballpark at this location. The site is located in airport's "Horizontal Surface District." Any structure that exceeds 160 feet above airport elevation is interpreted by the Federal Aviation Administration (FAA) as triggering the need for notification so that the FAA can perform an aeronautical study to ascertain impacts on missed approach, approach and departure surfaces and the navigational systems. The height of a ballpark would most likely range from 200 – 250 feet. In addition, the ballpark foundation would have to be sunken 25 feet below grade in order to reduce the actual height of the ballpark above airport elevation. These types of engineering and infrastructure requirements would be costly and impact the project schedule.

Last week Aviation staff completed an internal assessment of no impact to MIA's operational procedures with a test height of 220 feet above mean sea level. After this internal assessment, Aviation staff informally discussed the possibility of siting the ballpark at that height with the FAA Air-Traffic Division's specialist who was on a site visit from the FAA's Atlanta Regional Office. His preliminary assessment was that the proposed 220 feet height was possible, but would need to be checked for impacts to navigational systems and the departure surface for Runways 8L and 8R as south bound flights are often turned shortly after take-off and fly over the proposed site. While there do not appear to be any fatal flaws with the site in this regard, a formal aeronautical study will be required for the FAA to make a definitive determination. The County's Height Zoning Ordinance for MIA would also have to be amended to allow for a height zoning variance with Board approval.

Another airport related issue is flight noise. The proposed ballpark site is clearly located in an area that is defined as "aircraft noise-impacted" and is subjected to noise for not just landing and departing aircraft, but also over-flights at altitudes below 2000 feet and noise from aircraft in the pattern as they circle to land. Take-offs are about twice as loud as landings and, due to prevailing winds, result in 75 percent of the departures to the east in the direction of the site. Landings in the direction of the site consist of about 20 – 25 percent of the flight activity with take-offs consisting of 70 – 75 percent of the flight activity. The area falls in the 65-75 decibel day/night average noise contour where FAA's own studies have shown that conversation is interrupted and sustained exposure over a long period of time is detrimental to health. The noise levels are deemed compatible for commercial and industrial as opposed to residential uses.

The airport is currently at 800 daily take-off and landing operations with about 30 percent occurring during the evening peak with an average of 200 take-offs and landings occurring on any given day. Peak hours are airport peak activity levels in a busy hour. They occur both in the morning from 6:30 to 9:30 a.m. and in the evening from 4:30 to 8:30 p.m. The site is located almost equidistant from the extended centerlines of the two most utilized parallel runways at MIA (east-to-west flight path). As a result a majority of the peak hour operations occur on them. The resultant frequency would be in the order of one landing or take-off every minute or so at the low end and one every half minute at the high end. The airfield as designed has the capacity to accommodate 1,600 daily operations, and with the resurgence of the industry, will be at a level where the numbers during game hours could get as high as 500 takeoffs and landings.

Redirecting flight patterns to avoid a ballpark at this site during baseball game hours would not be realistic. The FAA determines the direction of operations based on prevailing winds. By virtue of the prevailing onshore winds from the south east the airfield operates in an easterly flow. It is highly

unlikely that the airlines would allow the FAA to agree to changing runways or operating directions as airlines are assigned runways based on proximity to their terminal locations and, as demand increases for airfield slots, the FAA must optimize the airfield to manage delays.

The existing flight paths, noise level and emissions in the form of un-combusted fuel particulates present at the site could require the ballpark to be enclosed with a fixed roof structure. A retractable roof may not be appropriate due to the potential inability to open it on game days, added height requirements and cost. A fixed roof would not allow a natural grass field, which is one of the Marlins requirements. This site also would require land acquisition, adding to the overall cost of the project.

In spite of the complexities present at the Metroplex site, there are many positive attributes. The site is located in close proximity to downtown, is served by major roadways such as the 836 Expressway and State Road 112, and has enormous mass transit appeal. The potential for private joint development opportunities in the area would greatly benefit from having the ballpark at the site. The overall cost to develop a ballpark at the Metroplex site would be expensive. Without additional funding sources, this alternative option is not possible.

The last alternatives in Group 1 include two options that involve the City of Hialeah. They include the Hialeah Race Track property and newly annexed property which is part of "Study Area B" contained in Application No. 5 filed by the City of Hialeah to extend the Urban Development Boundary (UDB). The Hialeah Race Track option would provide access via Metrorail and has more than enough acreage to accommodate a ballpark. However, the race track contains historical structures that would need to be preserved and this would have to be considered if a ballpark would be planned at the site.

The other site contained in Application No. 5 is located between the Florida Turnpike (western boundary) and NW 97<sup>th</sup> Avenue (eastern boundary) with NW 170<sup>th</sup> Street on the north and NW 154<sup>th</sup> Street on the south. The UDB application includes a request to change the Comprehensive Development Master Plan (CDMP) land use designation to "Industrial and Office" which allow for a ballpark. The Turnpike and I-75 provide excellent ingress and egress for a ballpark, however, the infrastructure directly to where a ballpark could be located would have to be completely developed. As part of the CDMP application process, it was determined that transportation improvements will be needed to be added to the County's Transportation Element of its CDMP. With the industrial project (as proposed in Application #5), certain segments of the following roadways would need to add capacity (NW 97 Avenue, NW 107 Avenue, NW 186 Street, NW 170 Street and NW 154 Street).

There is a vast amount of land to provide for development of a ballpark, as well as other future private development, that could complement a ballpark. Old solid waste sites cover the eastern portion of the site and ammonia levels exceeding County standards has been found in the groundwater under the solid waste sites. Development of this site would facilitate the clean-up of environmental contaminants. This has been one of the arguments used in the hearings by the applicant as to why the property should be allowed for development. The only other environmental concerns in this area are wetlands and flood protection. The site is located within the East Turnpike Wetland Basin. A Class IV Wetland permit with appropriate mitigation will be required prior to wetland impacts.

We would have to learn more about the details, including funding options and how private land at both sites would be provided in order to fully assess these two alternatives in the City of Hialeah. In

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either case, land would have to be provided at no cost. At your direction, I am certainly willing to work with the City of Hialeah and the Marlins to explore both potential options.

### Group 2 Alternatives

The second set of alternatives is included in the attached outline in order to give you a broader set of options to consider. At this time, I do not foresee these as realistic options for various reasons, however, I do not want discount any possibilities you may want to consider with regard to this project. Three of the alternatives are in the City of Miami, Bicentennial Park, Arena West, and the Orange Bowl. Irrespective of the Marlins' position to no longer consider a site within the City, a City site has always been the team's preference.

In my opinion, baseball will always view Bicentennial Park as the optimal site for the ballpark. In previous years, this site was thoroughly studied and raised many concerns including its location, environmental clean-up costs, traffic impact and Port of Miami issues. Today, as you are all well aware, Bicentennial Park is in the planning stage for the development of two of our major General Obligation Bond Program projects: a new Miami Art Museum and the Science Center of the Americas. Any consideration for a ballpark at Bicentennial Park would have to provide for an acceptable alternative location for the new museum projects, which is highly unlikely. As it did in the past, consideration of this site would draw sharp criticism from opponents. Bicentennial Park is obviously a controversial site, however, under the circumstances of the ballpark project I want to provide you with all alternatives options for your consideration. I am certainly not recommending this site.

Another site in the City which was studied under the previous ownership of the Marlins is the Arena West site. The site is located directly west of the Miami Arena. The land is owned by the Southeast Overtown/Park West CRA, including Poinciana Village. The site does have direct Metrorail access, which was one of the attractions of the site when originally contemplated by the City. Today, with the development of the Overtown Transit Village 1 and 2 projects, the size of the site has been reduced by over two acres which severely impacts the ability to fit a ballpark in this location. Aside from this consideration, the CRA has a long-term lease with Poinciana Village and is actively pursuing other development in this area. A previous site analysis prepared for the City in 2001 cited significant neighborhood impact that would essentially bifurcate Overtown. The study concluded the site to be unacceptable.

Over the last two years, the site focused on by the City, County and Marlins has been the Orange Bowl. The site included in the MOU was due east of the Orange Bowl. This is the option the County, City and Marlins had been working on, and as of our last review, the project faced a \$75-\$100 million shortfall and had considerable land acquisition issues. The same holds true today and there have been no further discussions with any of the parties regarding this option.

An alternative Orange Bowl option the City and County discussed with the Marlins would be to tear down the existing Orange Bowl and build a new Orange Bowl, where University of Miami football could be played along with other uses, such as professional soccer, and also to build a new ballpark for the Marlins. This option of tearing down the Orange Bowl and rebuilding it would enable the Orange Bowl stadium to be moved from its original site so as to better position the ballpark and Orange Bowl on the larger footprint of city-owned property. This would reduce the amount of privately owned property currently required for the ballpark and thereby reduce the associated land costs. However, some land acquisition would still be needed and the savings would be in the range of roughly \$15 million.

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Another alternative would be to tear down the Orange Bowl, and replace it with a dual use stadium for both baseball and University of Miami football games. This option would not only provide project savings by eliminating the need to acquire privately owned property, it would also allow funding for the ballpark and funding for the renovation of the Orange Bowl to be pooled, which would solve the project funding dilemma. If carefully planned, the project could accommodate both sports and provide a state-of-the-art facility for the Marlins and the University. Facility enhancements could be included such as university classrooms, a wellness center, conference halls, etc. Both the City and the University have stated they are unwilling to consider tearing down the existing Orange Bowl, which makes this option, although financially feasible, doubtful. In addition, the Marlins have stated it will not support a dual use facility. It should be noted that the Hurricanes only play six home games each season. The overlap of college football and Major League Baseball season is just over one month unless the Marlins are in the playoffs, in which case the overlap might be just over two months.

Another alternative, outside of the City of Miami, would be to consider a location in the far west area of the County. While such a site would be remote, there are vast tracks of undeveloped land surrounding the far west areas of Krome Avenue. Aside from privately owned land, the County has several hundred acres of park property in the area. Most of the County's parks properties are protected by Article VI of the County's Home Rule Charter, which requires a public referendum for any change in use or development. However, the Trail Glades Gun Range is exempt from Article VI provisions and contains 160 acres of land. While the gun range is exempt from Article VI, the site has many inherent obstacles for any type of development. Although it is directly adjacent to the popular Miccosukee Resort and Gaming, the area is completely unsupported by the type of infrastructure that would be needed for a ballpark. There is no mass transit to the site and drive times from downtown and eastern parts of the County would most likely be a deterrent for fans. Furthermore, this area is outside of the Urban Development Boundary and the CDMP designation for the property is Park and Recreation. The site is also jurisdictional wetlands and large portions of the property contain high value, functioning wetlands with high hydrological and biological value. It is within the West Wellfield protection area and, as such, further development is not allowed. In the past, the Marlins have not been willing to consider a remote location such as this, however, it is certainly appropriate to consider all locations under the circumstances facing the project today.

### **GLOBAL FUNDING OPTIONS**

In the context of this project, aside from a dual use facility either at Dolphin Stadium or at the Orange Bowl, the development of a new ballpark will face a funding shortfall. In my previous report, I mentioned the City and County had discussed with the Marlins the idea of a voter referendum for a one year only half cent or full cent sales tax increase. A dedicated funding source such as this, even if only for one year, would essentially solve the funding gap problem that has been an issue throughout the course of the project. A one year half cent sales tax would generate approximately \$160 - \$180 million while a full cent would generate \$320 - \$360 million. Such a measure could provide funding for the ballpark irrespective of location. It would also preserve the County's Convention Development Tax funds for other County projects. As I stated before, going to the voters would require a special election, and while voter approved funding for professional sports facilities is not an uncommon way to generate revenue for stadiums, it is risky. Now that the project is at a critical juncture, taking this item to the voters would enable the community the opportunity to voice its ultimate support for the ballpark project. This community has been following the efforts to build a new ballpark for the Marlins for over five years and giving the public an opportunity to decide on the issue themselves has merit.

An alternative dedicated funding option requiring state and voter approval would be to levy up to a \$1.00 car rental tax. If limited to Miami-Dade County, a tax of a \$1.00 per rental car night is estimated to generate approximately \$125 million in present value dollars over 30 years. If the tax included both Miami-Dade and Broward, it would generate approximately \$290 million and if applied to the tri-county area it would generate approximately \$356 million. Car rental taxes are a common funding source for stadiums. In either case, the idea of a dedicated funding source for the ballpark is an option worth considering as you weigh the various issues facing the project. Previously, the Marlins did not react enthusiastically to the idea of going to the voters for funding, however, I think they would consider it in order to be able to remain in South Florida. Regardless, such a referendum is not a decision for the Marlins to make.

As you are aware, the ballpark project has been very complex and no easy solutions are available. This is true with regard to the vast majority of the other stadium efforts, whether they have succeeded or failed, in other cities. In the end, the collective efforts of all parties involved must be cooperative, dedicated to the project and committed to the same goal. I hope this report provides you the information you need as you consider the options available for this project. Upon your direction, I will continue to further study any of the alternatives in the report, as well as other options you feel merit review, that were not included in this report. If you direct me to continue, I would request that you authorize the use of outside resources, if needed, with regards to this project.

Attachments

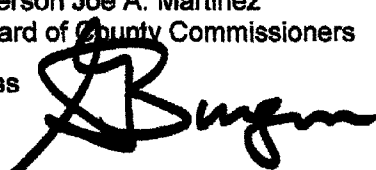


# Memorandum



**Date:** September 13, 2005

**To:** Honorable Mayor Carlos Alvarez  
Honorable Chairperson Joe A. Martinez  
and Members, Board of County Commissioners

**From:** George M. Burgess  
County Manager 

**Subject:** Ballpark Project Update Report

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The purpose of this memorandum is to provide you an update on the ballpark project and to advise you of recent discussions we have had with the Marlins. It is intended to provide a current assessment of the project and possible options for your consideration. I also intend to contact each of you to get your feedback on this project.

## **BACKGROUND**

In my May 16, 2005 memo (see attached), I provided the Mayor and Board with an assessment of the project in light of the State's rejection of our request for a sales tax rebate which would have provided the final funding piece needed to complete the financing plan. The County, City of Miami (City) and Marlins met immediately following the close of the legislative session to evaluate the funding gap and the team's critical path issues to have the project completed for a 2008 opening. At that time, the Marlins and Major League Baseball's (MLB) Commissioner's Office met to assess the project's status. Following that meeting, MLB submitted a letter dated May 12, 2005 that concluded resolution of the Marlins' effort to secure funding for a new baseball-only, retractable roof facility was in its final stages.

Since the close of the legislative session, the County has remained committed to the project and has continued to meet with the team and the City, investing time and resources to move forward in due diligence to vet the various project issues. On May 16, 2005 I informed the Board of my intent to extend the terms of the Memorandum of Understanding (MOU), which was extended with the Marlins and City for 90 days. Although many of you were not pleased with the tone of MLB's letter, the Mayor and Board again showed their support of the project by directing me to keep working with the Marlins. Despite the fact the MOU extension technically has passed, we have continued to work on the project and have secured outside expertise including a financial consultant and a firm to assess the validity of the Marlins ballpark plans and construction costs. I think it is important to acknowledge the extreme efforts and commitment of the County in this regard.

## **CURRENT PROJECT STATUS**

The already complex project has now become more challenging and more expensive. The Marlins acknowledged that its' planned 2008 opening for a new ballpark is not feasible and that the project is now delayed until 2009. The funding gap for the 2008 opening was estimated at between \$30 to \$45 million dollars, due to lack of state funding and the team's estimate of the increased cost for land and infrastructure. The current funding gap for a 2009 opening is now estimated to be \$75 to \$100 million. The increase is based on the Marlins projected construction cost escalation of \$25 million (\$360 million to \$385

million), increased infrastructure expenses of \$7.5 million, land cost increase of \$11.5 million and the gap in state funding of \$30 million. Since we have not yet been able to verify the Marlins construction cost, including its 2009 escalation cost, we can not give assurance as to the accuracy of the ballpark budget at this time. Only recently we received design development plans from the Marlins, which have been forwarded to HNTB who we have hired to review and assess the design and construction costs. HNTB will conduct a cost estimation and budget assessment and we expect to have a report from them in the next four to five weeks.

Last week the County, City and Marlins met to discuss the ballpark and were not able to resolve the issues facing the project. At this point, without an agreed upon solution on how to close funding gap, and in the absence of the City's and County's intent to move forward with land acquisition while so many issues remain unresolved, the team has begun to feel uncertain as to the project's future. In my previous memo, I advised you I am not comfortable recommending an increase in the County's contribution of bed taxes since these revenues are already leveraged considerably. I believe the County has extended itself significantly with its current contribution, especially when you consider the County has agreed to issue \$162 million in team rent bonds for the Marlins, which while paid by payments from the team, are secured by our general fund. Today, I continue to be averse to recommending an increase of the County's contribution, especially given the uncertainty of the project and cost escalation.

In regards to land acquisition, the Marlins insist the City or County must proceed with eminent domain proceedings immediately in order to issue good faith land purchase offers by October 15, 2005 so as to avoid missing a 2009 opening. Moving forward with land acquisition, given the uncertainty of the funding gap and the significant increase in project costs is not a prudent action to take given the seriousness and sensitivity of declaring a public need to seize property. In addition, if the County is to assume eminent domain responsibility, the Board has required that the City first adopt a resolution requesting the County to conduct the land acquisition process, including eminent domain proceedings, and indicating that the City will provide the funding for land acquisition and will approve a process for the transfer of such funds to the County. The City has not indicated a willingness to do this.

#### **OPTIONS DISCUSSED**

During our meeting, the County and City discussed possible options for the project with the team. One of the options, which has been mentioned before, is to reduce the project scope in order to build a ballpark within the amount of project funds currently identified (\$390 million). More specifically, this option would require that the ballpark be built without a retractable roof and possibly in a manner that would allow a roof to be added at a later date (roof-ready). The Marlins have consistently stated that this is not a viable option and continue to reject the idea. While we appreciate the team's desire to have a roof, a retractable roof is a large part of the construction costs (approximately \$80 to \$100 million). When faced with the possibility of not being able to complete the project as currently planned, a ballpark without a roof does not seem like an alternative to immediately and emphatically reject. Nevertheless, the team again stated this was an option they would not consider.

Another option discussed to provide an additional revenue source for the project is a voter referendum for a one year only half cent or full cent sales tax increase. A one year half

cent sale tax would generate approximately \$160 million while a full cent would generate \$320 million. Such a measure could provide for the comprehensive development of both the ballpark and Orange Bowl projects, including the possibility of improving transit access to the site. Going to the voters would require a special election, and while voter approved funding for professional sports facilities is not an uncommon way to generate revenue for stadiums, there is clearly inherent risk involved. Taking this item to the voters would enable the community the opportunity to voice its support for public funding of the ballpark. This community has been following the efforts to build a new ballpark for the Marlins for over five years and during this time the public has never had a direct opportunity, such as a vote, to voice either support or opposition for the project. Obviously, we would rather not burden taxpayers in our community with additional expenses, however, if faced with the possibility on not being able to move the project forward due to lack of funding, giving the public an opportunity to decide on the issue themselves has some merit. While the City Manager indicated his willingness to take this idea to his Mayor and Commission, it is the Board of County Commissioners that would be deciding to establish the special countywide election and to pay the cost for such a special election. The Marlins did not react enthusiastically to the idea as they would prefer to find the additional funding among the parties without going to the voters, but they did not reject the idea either.

The City also discussed two possible options that would alter its original plans to renovate the Orange Bowl. One option would be to tear down the existing Orange Bowl and build a new Orange Bowl, where University of Miami football could be played along with other uses such as professional soccer and also to build a new ballpark for the Marlins. The other option would be to tear down the Orange Bowl, replace it with the ballpark and build a much smaller stadium for professional soccer. This option would require the University of Miami to relocate its football games to Dolphin Stadium. The City is currently in discussion with the University regarding these options. It is my understanding that the University has not been receptive to playing its' home football games at Dolphin Stadium.

The first option of tearing down the Orange Bowl and rebuilding it would enable the Orange Bowl stadium to be moved from its original site so as to better position the ballpark and Orange Bowl on the larger footprint of city-owned property. This would reduce the amount of privately owned property currently required for the ballpark and thereby reduce the associated land costs. However, some land acquisition would still be needed and the savings would be in the range of roughly \$15 million. The Marlins had two concerns with this option. One was timing and when exactly the City would be able to determine how it will proceed with the Orange Bowl project and the other was a concern that moving the current proposed location of the ballpark could compromise the design thereby affecting design and construction related costs. The second option to tear down the Orange Bowl and replace it with the ballpark would provide for more project savings by eliminating the need to acquire privately owned property as well as reducing infrastructure costs.

Although we were not able to find a way to close the funding gap, the Marlins did indicate they might be able to contribute another \$10-15 million by way of an equity payment. In addition, the County and team have been evaluating a financing strategy to secure more bond proceeds from the team rent bonds by entering into a forward SWAP to lock in current low interest rates. The team originally told the County it would take the risk of entering into a SWAP agreement with Bank of America to secure low interest rates if the County would agree to become the counterparty to the SWAP agreement with Bank of America at the time definitive agreements are approved. Due to the Marlins credit

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worthiness relative to the County's, the Bank would not agree to allow the Marlins to remain the counterparty to the SWAP for more than a few months. The Bank requires the County to assume the counterparty responsibilities immediately upon approval of definitive agreements. However, during our meeting last week, the Marlins informed the County they were not able to agree to the terms Bank of America required of it to enter into the SWAP agreement during the period prior to definitive agreements being approved. Therefore, in order to maximize bond proceeds from the team rent bonds, the County would have to consider entering into a SWAP, independent of the Marlins, immediately.

The MOU currently contemplates the team rent bonds being the last piece of project financing (late 2007). The MOU was structured in this manner to give the County the ability to fully assess the project schedule, budget and potential cost-overruns prior to issuing County backed team rent bond debt. Per the MOU, if cost-overruns were identified, prior the County issuing the team rent bonds, the Marlins would be required to provide the County evidence of how it would cover the overruns. If we were to lock rates with a SWAP once definitive agreements were approved, we would not have the flexibility to forgo or delay issuing the team rent bonds. The SWAP contract requires the issuance of debt by a predetermined date. If the bonds are not issued by the predetermined date, the County could face termination payments.

That being said, our Finance Department evaluated the idea to lock in interest rates early, given the fact that rates are at historical lows, as is the cost of locking in rates, and we also had the County's SWAP advisor assess the SWAP proposal. The County's advisor submitted a recommendation in favor of entering into a SWAP to secure low rates and maximize bond proceeds for the project. If the rates remain relative to what they are today, such a rate lock could generate an additional \$15-20 million of bond proceeds without the team having to increase its annual lease payments to the County, which are in turn used to pay the debt service on the bonds. Based on this recommendation, I would be comfortable advising the Board to consider such action if the project moves forward. However, in consideration for the increased risk the County would take on in regards to the cost-overrun guaranty, I would require the Marlins to provide additional cost-overrun assurances, especially in light of the Marlins informing us that MLB will not agree to provide a \$10 million over-run guaranty as required by the MOU.

Even if the team was able to provide an additional \$15 million in equity contribution, and the SWAP on the team rent bonds would generate an additional \$20 million, the project still faces a funding shortfall in excess of \$40 million. The team also requested the County allow it to increase its annual rent payment so the County could in turn issue more debt for the project. For this to be considered, the team would have to provide substantial detail by way of its pro-forma that it could afford an increase in rent payments while maintaining the required coverage limits, as well as other team operating expenses. Regardless, I am not very comfortable with such a proposition as I do not want to further increase the potential general fund risk in relation to this project.

Due to the challenges and funding gap of the proposed ballpark at the Orange Bowl, another option the County and Marlins could consider is keeping the team at its current location at Dolphin Stadium. At the close of the legislative session, I met with representatives from Mr. Huizenga's organization and they had indicated a willingness to discuss such an alternative. Dolphin Stadium is currently undertaking a comprehensive development plan to provide improvements to the stadium and surrounding properties.

One option could be to re-negotiate the Marlins current lease and provide renovations to the stadium that would directly enhance the baseball fan experience and enable the Marlins to capture more stadium revenues. Initially, the Dolphins considered putting a roof over the stadium as part of its efforts to secure a permanent rotation for the Super Bowl. This was determined by the Dolphins to be cost prohibitive and it was not appealing to the National Football League to have Super Bowls played in a domed stadium in South Florida during the month of January. Considering that baseball has 81 home games, a dual use facility would have made more economic sense when contemplating the investment of a roof had the Dolphins pursued such an idea. Quite frankly, from a dollars and sense perspective, dual use stadiums appear to be extremely practical, however, the specific needs of football and baseball, sight line geometries for fans and the demands placed on the stadium can be compromised. Nevertheless, careful planning could mitigate such concerns. Dolphin Stadium has been the home of the Marlins and two World Series championships over the last twelve years. The overriding problem in regards to the Marlins playing at Dolphins Stadium is not the facility accommodations, but rather the Marlins' lease for the use of Dolphin Stadium. The lease terms would have to be restructured.

As an alternative to a dual use stadium, we could evaluate the possibility of developing a ballpark on a parcel of land adjacent to Dolphin Stadium. This would likely pose funding issues similar to that of the Orange Bowl or even to a greater extent considering the City's contribution would not be available. The Marlins much prefer a baseball only ballpark at the Orange Bowl. Having outlined these Dolphin Stadium area options, I do not foresee the Dolphin Stadium and Florida Marlins officials being able to reach any agreement. Ultimately, professional football and professional baseball franchises want their own facilities and see more profitability if in their own facilities.

I must advise you that the Marlins did not seem willing to continue to work to find a way to resolve the issues and are reluctant to further expend money and resources on the project. They are obviously disappointed, as are we, that the project did not receive state funding and has taken on further delay and additional costs. At this point, without being able to advise you how the funding gap issue can be resolved, not to mention other major issues such as land acquisition and the cost-overrun guaranty, I am not optimistic regarding the future of the ballpark project at the Orange Bowl. As currently contemplated, the ballpark project requires substantial public funding and financing and I think we have reached the limits of our ability to contribute in a responsible manner to this project. This in no way suggests securing MLB in South Florida is not important to our community. However, we must balance the needs of this project, which may be beyond the reach of the parties at this time, with the other essential responsibilities and funding needs in the County.

I would be remiss if I did not mention that there has been more commitment and effort from this ownership than in the past. While I cannot give assurance as to the future of the project at this time, I can assure you, under your leadership, the County has exerted an enormous amount of effort to try and find a solution and I will continue to work with the Marlins in this regard.

Attachment

# Memorandum



**Date:** May 16, 2005

**To:** Honorable Carlos Alvarez, Mayor

Honorable Chairman Joe A. Martinez and Members  
Board of County Commissioners

**From:** George M. Burgess  
County Manager

A handwritten signature in dark ink, appearing to read "Burgess", written over the printed name of the County Manager.

**Subject:** Ballpark Project Update

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The purpose of this memorandum is to provide the Mayor and Board with an update on the ballpark project in light of the State's failure to approve the final funding piece needed to complete the financing plan and to advise you of on how we proceed to find a way to continue to move this project forward.

First of all, I think it is important to acknowledge the extreme efforts of the County, City of Miami (City) and of members of the Miami-Dade legislative delegation in both the House and Senate in our attempt to receive state funding for the project. Although in the end we were not successful, we met all the expectations of the State at the local level by completing a local ballpark plan and we actively lobbied and worked with the State throughout the entire legislative session. Many of you also provided invaluable assistance and support and you should be commended for your efforts. I also want to recognize the tireless efforts of your Intergovernmental Affairs staff, Assistant County Attorney Jess McCarty, as well as the assistance provided by leaders of our business community, in particular the Beacon Council and the Greater Miami Chamber of Commerce.

The implementation of the financing plan for the development and construction of the ballpark project was conditioned upon receiving \$30 million of funding from the State. That being said, given the support the County, City and Marlins have for this project, I feel it is important that we continue to work with the City and Marlins to try and find a solution to address the funding gap and move the project forward. To that effect, on May 12, 2005 the City Commission directed the City Manager to extend the Memorandum of Understanding (MOU) ninety (90) days. Pursuant to its provisions, the MOU automatically terminates if the State fails to approve the State Sales Tax Rebate by May 1, 2005, unless such date is extended by the Parties. Pursuant to the authority delegated in the MOU, the parties extended the termination date to May 6, 2005, the last day of the State legislative session. In the interest of moving the project forward, it is my intention to agree to further extend the MOU, unless directed otherwise by the Board.

City and County representatives met with the Marlins on May 9, 2005 to debrief on the outcome of the legislative session and to discuss the two critical issues facing the project: 1.) addressing the funding gap and 2.) meeting certain critical path issues which need to be achieved, based on the Marlins' schedule, to have the project completed for a 2008 opening. On May 11, 2005 the Marlins met with Major League Baseball's (MLB) Commissioner's Office to discuss the current status of the project. The Marlins and MLB concluded, based on MLB's letter dated May 12, 2005 (copy attached), that resolution of the Marlins' effort to secure funding for a new baseball-only, retractable roof facility is in its

final stages. In the letter, MLB indicated it expects to hear by June 9, 2005 how we are going to complete the financing plan, which can include contingencies, as long as there are mandated and enforceable solutions to fill the funding gap in the event the financing plan contingencies do not materialize. MLB is also requesting a critical path outlining the eminent domain process, construction timeline, permitting and other regulatory approvals required for the project. In addition to requesting a solution to the funding gap to move the project forward, MLB also indicated it will not lend support in the form of a \$10 million cost overrun guaranty, which is a provision required by the MOU and one that must be in place before the County or City issue debt for the project. I was not pleased to learn MLB appears unwilling to provide the County or City such very limited assistance in providing a comfort level with regards to the Marlins' ability to cover cost overruns. This will create yet another problem that will need to be resolved.

Regarding the funding gap, the types of ideas we will explore include the possibility of state funding in a special session or next year, reducing the project scope to cut costs, or identifying possible alternative revenue streams. In its letter, MLB suggests either a City or County-wide referendum to fund a portion of the ballpark cost. At this point, none of the parties have indicated a willingness to increase the level of their current contribution for the project. I am not comfortable recommending an increase in the County's contribution of bed taxes based on the fact that our bed tax revenues are leveraged considerably with other important projects in addition to what we have pledged for the ballpark project. In addition, I feel the County has extended itself significantly, especially when you consider the County is issuing \$162 million of bonds backed by team rent payments. In the absence of state funding or identifying a new revenue source, the most feasible option might be to reduce the scope and cost of the project.

Due to time constraints the project faces in order for the ballpark to be open in 2008, it is important that the project move forward expeditiously. The team has indicated it has to be in a new facility by 2008 to avoid carrying the continuing operating losses it faces in its current facility. Perhaps one of the biggest critical path issues facing the project is the land acquisition process. In order to stay on track for the 2008 targeted opening we need to determine whether it is advisable to proceed with the land acquisition process while simultaneously working on a solution to address the funding gap.

In preparation for land acquisition, the Marlins have had appraisals conducted for the properties required for the site and have attempted to secure purchase options. While the Marlins have not been successful in securing purchase options, they have completed most of the appraisal work and submitted the appraisals to the County Attorney's Office for review. For the County to move forward with the land acquisition process, pursuant to Ordinance 93-79 a public notice must be advertised prior to presenting a resolution to the Board authorizing the eminent domain proceedings. A public meeting must then take place to describe the project to the affected property owners and to inform them of their rights in accordance with eminent domain. In addition, prior to the Board considering a resolution authorizing the County Manager and County Attorney's Office to go forward with land acquisition, the City must adopt a resolution requesting the County to conduct the land acquisition process, including eminent domain proceedings, indicating that the City will provide the funding for land acquisition and will approve a process providing for the transfer of such funds to the County.

Honorable Carlos Alvarez, Mayor  
Honorable Chairman Joe A. Martinez and Members  
Board of County Commissioners  
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In consideration of the land acquisition requirements and the Marlins ballpark construction schedule, it would make sense for the City to pass a resolution as described above and for the County to advertise the required public notice so that an Item could be brought before the Board at the Board's next meeting on June 7, 2005. This would enable the County to move forward with the eminent domain process, understanding that any offers the County would make to purchase properties required for the site would be conditional based upon the project funding being fully secured and all other requirements met for the project to move forward.

The Marlins have indicated that construction of the ballpark needs to commence in December of this year in order to control the construction costs of the ballpark, currently estimated to be \$360 million. The current schedule to complete the ballpark by 2008 does not have room for project delays and there are some elements of the land acquisition process that fall outside of our control. Therefore, if the land acquisition process does not begin soon the project could face additional challenges aside from the funding gap.

In addition to land acquisition, other critical path areas include pre-development issues with the Major Use Special Permit Process, conducting a Development Regional Impact study and the City permitting process. We also need to continue to work with the City and Marlins on the development and negotiation of the definitive agreements such as the Development Agreement, Lease and Non-Relocation Agreement, Development Agreement and Cost Overrun Guaranty, Management Agreement and other required agreements.

We recognize the importance of the funding gap issue, but as you can see, there are many other important aspects of this project that need to move forward in order to meet the deadlines to complete the project by 2008.

Attachment

# Ballpark Alternative Options

Prepared for

Miami-Dade County Mayor &  
Board of County Commissioners

February 6, 2006

# Ballpark Alternative Options

- This outline is intended to provide an overview and assessment of possible alternatives for a the ballpark project.
- The first set of options were studied in more depth for the purposes of this report and include:
  1. New Ballpark Adjacent to Dolphin Stadium
  2. Dolphin Stadium Shared Use Facility – Roof & Renovations
  3. Metroplex - New Ballpark Adjacent to Miami Intermodal Center (due East)
  4. Hialeah Race Track
  5. Hialeah – I-75 site
- The second set of options briefly identifies locations, some of which have previously been considered and reviewed:
  1. Bicentennial Park
  2. Arena West
  3. Orange Bowl
  4. Far West Miami-Dade County

# New Ballpark adjacent to Dolphin Stadium

- **Estimated Project Costs** – 38,000 seat retractable roof ballpark
  - The Marlins' ballpark cost estimate for a 2009 opening is \$385 million – needs detailed verification
  - Infrastructure expenses are estimated at \$15 million
  - \$50 million project reserve is included until Marlins' ballpark cost verified
- **Existing Funding (previously approved)**
  - Marlins funding previously approved included \$30 million equity from team and \$162 million in team rent bonds to be issued by the County
  - \$48 million of Professional Sports Tax (bed taxes)
  - \$60 million of Convention Development Tax (bed taxes)
  - Includes \$30 million of Convention Development Tax previously pledged as part of the City of Miami's \$60 million debt issuance which is available for the project

Ballpark	\$385,000,000
Infrastructure	15,000,000
Reserve	50,000,000
Total Project costs	450,000,000
Team	
Team Rent (County Debt)	162,000,000
Team Contribution	30,000,000
County	
Professional Sports Tax	48,000,000
Conv. Development Tax	60,000,000
Total Funds	\$300,000,000
Gap	(\$150,000,000)

# Dolphin Stadium site - continued

## ● Other Funding Options & Strategies

- Issue more team rent bonds by increasing the annual team rent payments. This could generate another \$18-20 million.
- Request more equity/cash contribution from the Team - \$15-20 million
- The County could provide more Professional Sports Tax revenue based on revenue performance and without having to change any growth assumptions on the bed tax – approximately \$12 million
- Parking Revenues – County could control parking revenues for baseball game days and provide financing – approximately \$30 million (residuals to help fund CAPEX)
- Seek a contribution for the ballpark from Huizenga Holdings
- Seek funding from Broward County - County-line location provides great benefit to Broward residents
- Seek funding from the State

## ● Parking & Transportation Issues

- Ample surface parking is available at the site
- Replacement parking for spaces lost due to ballpark would need to be addressed with structured parking facility
- A structured parking facility could be developed as a transit commuter lot with the planned Metrorail expansion

# Dolphin Stadium site - continued

## ● Land Use, Planning & Zoning Issues

- Dolphin Stadium site is under the planning and zoning jurisdiction of the County with the City of Miami Gardens' jurisdiction limited to review and issuance of building permits and inspections
- Transit corridor, expressway and major roadways provide good ingress/egress to the site
- The current CDMP designation is "Business/Office" and allows the following uses: entertainment and cultural theatres and auditoriums, amusement enterprises, hotels/motels, public spaces and other uses that attract large numbers of people

## ● Advantages

- No land costs or land acquisition - site is clean and development ready
- Sufficient time for construction – no fast track high risk schedule – Marlins secure to play in Dolphin Stadium until ballpark complete
- Ample available parking in place
- Regional site location for South Florida's tri-county community and Marlins existing fan base
- Creates a unique sports and entertainment destination with two major league teams and Calder Race Track
- Opportunity for major retail and mixed-use private development on surrounding properties
- Direct public transit link to site with planned Metrorail expansion

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## Dolphin Stadium site - continued

- **Disadvantages**

- Funding from other parties uncertain
- County issues more debt – risk exposure
- Suburban vs. Urban site

- **Timeline**

- The site has no immediate timing issues – 2009 opening possible

- **Other Factors**

- There is potential to create a sports & entertainment district with boundaries that capture the sports facilities – would require state and local legislative action
- Benefits of such a district could include favorable zoning/land use regulations as well as retention of taxes generated within the district
- Ability of Marlins and Huizenga Holdings officials to work together and reach agreement

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# Shared Use Facility - Dolphin Stadium

- **Estimated Project Costs** – roof retrofit & renovations
  - Undertake stadium renovations to provide an environment to maximize stadium revenues for the Marlins including the addition of a domed or retractable roof
  - Roof addition estimated to be \$130 - \$160 million (cost would need an in-depth study)
  - \$30 million project reserve is included until roof cost can be verified

## • **Funding Options & Strategies**

- The County & Marlins would provide funding (approx \$130 million) for construction of a roof to the existing Dolphins Stadium
- Marlins would provide approximately \$80 million by way of a team financing and/or equity payment
- The County could contribute approximately \$80 million of bed tax revenues (CDT & PST)
- Huizenga Holdings will provide stadium improvements for baseball fans included but not limited to suite renovations and club and premium seating

Retractable Roof	\$130,000,000
Renovations	0
Reserve	30,000,000
Total Project costs	160,000,000
<u>Team</u>	
Team Equity and/or	80,000,000
Team Debt Issuance	
<u>County</u>	
Professional Sports Tax	40,000,000
Conv. Development Tax	40,000,000
Total Funds	\$160,000,000
Gap	\$0

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# Shared Use Facility - Dolphin Stadium - continued

## ● Other Funding Options & Strategies

- Once stadium renovations complete, all baseball related revenues will be retained by the Marlins, including gate receipts, suites, concession, etc.
- The Marlins will retain sponsorship advertising and inside bowl signage for all baseball games
- Once stadium renovations are complete, the Marlins will retain all baseball event and baseball game-day parking revenues from surface parking. The Marlins will be required to contribute \$2 million annually to fund CAPEX from parking revenues.
- The Marlins pay Huizenga Holdings for stadium related operational expenses

## ● Parking & Transportation Issues

- Ample surface parking is available at the site
- A structured parking facility could be developed as a transit commuter lot with the planned Metrorail expansion

## ● Land Use, Planning & Zoning Issues (same as Dolphin Stadium site)

- Dolphin Stadium site is under the planning and zoning jurisdiction of the County with the City of Miami Gardens' jurisdiction limited to review and issuance of building permits and inspections
- Transit corridor, expressway and major roadways provide good ingress/egress to the site
- The current CDMP designation is "Business/Office" and allow the following uses: entertainment and cultural theatres and auditoriums, amusement enterprises, hotels/motels, public spaces and other uses that attract large numbers of people

# Shared Use Facility - Dolphin Stadium - continued

## ● Advantages

- Reduces County's overall contribution for a ballpark
- Eliminates County having to issue general fund debt for team rent payments and eliminates cost overrun risk associated with a new ballpark
- Provides Marlins with sustainable ballpark environment by eliminating climate factors and giving team control of baseball revenues generating from the stadium
- Significantly reduces team contribution, cost overrun risk and reduces team's overall operating expenses associated with a new stadium
- Provides Huizenga Holdings with continued year-round use of stadium for baseball games, which enhances stadium advertising and signage revenues and creates opportunity for expansion of sports & entertainment development opportunities of vacant parcels surrounding the stadium
- No land costs or land acquisition
- Maintains regional tri-county location for existing fan base

## ● Disadvantages

- Compromise for Florida Marlins – not a new ballpark
- Private parties ability to accept and agree on a dual use alternative
- Suburban vs. Urban site

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# Shared Use Facility - Dolphin Stadium - continued

## ● Timeline

- The site has no immediate timing issues – 2009 opening possible
- Coordination of construction between football and baseball seasons would have to be determined

## ● Other Factors

- There is potential to create a sports & entertainment district with boundaries that capture the sports facilities – would require state legislative action
- Benefits of such a district could include favorable zoning/land use regulations as well as retention of taxes generated within the district
- Cost of developing a roof would have to be fully analyzed and could have other potential factors such as cost of steel, current Dolphin Stadium structure, span of roof, hurricane proofing, and removing and replacing lighting and scoreboard below the roof line. Cost would still be far less than a new ballpark.
- A fixed roof would be less expensive than a retractable roof, but would not allow for natural grass
- Ability of Marlins and Huizenga Holdings officials to work together and reach agreement

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# Metroplex Site

- **Estimated Project Costs** – 38,000 seat retractable roof ballpark
  - Develop ballpark adjacent to Miami Intermodal Center (East of NW 37 Ave/North & South sides of NW 25 St)
  - The Marlins' ballpark cost estimate for a 2009 opening is \$385 million – needs detailed verification
  - Land acquisition/demo of private parcels (\$30 million est.)
  - Infrastructure – sink site 25 ft below ground (\$20 million est.)
  - \$50 million project reserve is included until Marlins' ballpark cost verified

## 27 ● **Existing Funding (previously approved)**

- Marlins funding previously approved included \$30 million equity from team and \$162 million in team rent bonds to be issued by the County
- \$48 million of Professional Sports Tax (bed taxes)
- \$60 million of Convention Development Tax (bed taxes)
- Includes \$30 million of Convention Development Tax previously pledged as part of the City of Miami's \$60 million debt issuance which is available for the project

Ballpark	\$385,000,000
Land/Demo	\$30,000,000
Infrastructure	20,000,000
Reserve	50,000,000
Total Project costs	485,000,000
<u>Team</u>	
Team Rent (County Debt)	162,000,000
Team Contribution	30,000,000
<u>County</u>	
Professional Sports Tax	48,000,000
Conv. Development Tax	60,000,000
Total Funds	\$300,000,000
Gap	(\$185,000,000)

## Metroplex site - continued

### ● Other Funding Options & Strategies

- Issue more team rent bonds by increasing the annual team rent payments. This could generate another \$18-20 million
- Request more equity/cash contribution from the Team - \$15-20 million
- The County could provide more Professional Sports Tax revenue based on revenue performance and without having to change any growth assumptions on the bed tax – approximately \$12 million
- Seek funding from the State
- Explore funding programs and financial incentives offered through the Empowerment Zone

### ● Parking & Transportation Issues

- Excellent mass transit site
- Tri-county and Miami-Dade County multimodal connections – TriRail, Metrorail, Metrobus & MIA – reinforces mass transit as a viable form of mobility
- Takes advantage of already funded transportation infrastructure improvements
- Access from State Road 112 and 836 Expressway
- Future structured parking development from other projects including Miami Intermodal Center
- Opportunity for joint-business venture for ballpark parking garage that would service other business development as well

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# Metroplex site - continued

## ● Land Use, Planning & Zoning Issues

- All property is within the unincorporated area of the County
- The current CDMP designation is "Industrial/Office" and allows for "amusement uses, and other uses with unusual siting requirements..." The CDMP designates the general area as a Metropolitan Urban Center (MUC). A ballpark site appears to also be within the MUC.
- Current zoning districts do not allow a stadium - would require approval as an "unusual use"
- The stadium would be considered a DRI
- Airport zoning regulations would allow a stadium. A formal FAA aeronautical study would have to be conducted to determine if a structure above 160 feet would impact flight path and landing surfaces. Ballpark height would range from 200-250 feet
- Impact of flight path noise would require a domed or retractable roof

## ● Advantages

- Location – in UMSA and close proximity to downtown
- Planned transit infrastructure – tri-county access to site in heart of Miami-Dade County
- Provides a major use anchor/destination for an urban node
- Good private partnership opportunities for complementing planned development
- Entertainment development opportunities: – Jai Alai relocation to area, aquatic venues & marine activities around Palmer Lake and Miami River, Melreese Golf Course and Flagler Dog Track
- Retail development opportunities: riverfront retail, shopping complex, restaurants and bars
- Hotels & Office Development: County satellite offices, Miami Intermodal Center support offices, tourism & private offices

## Metroplex site - continued

### ● Disadvantages

- Private land acquisition required – cost unknown
- County issues more debt – risk exposure
- Coordination of infrastructure improvements, building demolition, site logistics
- Expensive site due to land acquisition and infrastructure needs – sinking site
- MIA flight path noise issues – if domed roof is required natural grass field would not be possible

### ● Timeline

- A complete site analysis would have to be done to determine timing for ballpark – 2010 likely
- Land acquisition process could add time to project

### ● Other Factors

- The Metroplex site has excellent transportation possibilities as well as other development opportunities for the larger area. If carefully planned, a ballpark at the site would provide a catalytic anchor for other entertainment, retail and office developments. There would be many opportunities to convert the area to a unique and highly utilized asset for the community.

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# Hiialeah Race Track Site

- **Estimated Project Costs** – 38,000 seat retractable roof ballpark
  - Build a new ballpark at Hiialeah Race Track – 2010
  - The Marlins' ballpark cost estimate for a 2009 opening is \$385 million – needs detailed verification
  - Infrastructure – \$10 million est. – needs verification
  - \$50 million project reserve is included until Marlins' ballpark cost verified
- **Existing Funding (previously approved)**
  - Marlins funding previously approved included \$30 million equity from team and \$162 million in team rent bonds to be issued by the County
  - \$48 million of Professional Sports Tax (bed taxes)
  - \$60 million of Convention Development Tax (bed taxes)
  - Includes \$30 million of Convention Development Tax previously pledged as part of the City of Miami's \$60 million debt issuance which is available for the project

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Ballpark	\$385,000,000
Infrastructure	10,000,000
Reserve	<u>50,000,000</u>
Total Project costs	445,000,000
<u>Team</u>	
Team Rent (County Debt)	162,000,000
Team Contribution	30,000,000
<u>County</u>	
Professional Sports Tax	48,000,000
Conv. Development Tax	60,000,000
Total Funds	<u>\$300,000,000</u>
Gap	(\$145,000,000)

# Hialeah Race Track site - continued

## ● Other Funding Options & Strategies

- Contribution from the City of Hialeah – city funding would be critical to help close funding gap
- Issue more team rent bonds by increasing the annual team rent payments. This could generate another \$18-20 million
- Request more equity/cash contribution from the Team - \$15-20 million
- The County could provide more Professional Sports Tax revenues based on revenue performance and without having to change any growth assumptions on the bed tax – approximately \$12 million
- Seek funding from the State – \$30 million sales tax rebate and/or infrastructure access assistance
- Potential to create a Tax Increment Financing district to provide funding for site improvements and infrastructure

## ● Parking & Transportation Issues

- Adequate parking at site and surrounding area
- Metrorail station is located near the site
- Opportunity for joint-business venture for ballpark parking garage

# Hialeah Race Track site - continued

## ● Land Use, Planning & Zoning Issues

- The current County CDMP designation for the site is Business & Office. It is assumed that the City carried this designation forward in its CDMP Land Use Plan (needs verification). In the County's CDMP a stadium is an allowable use under this designation.
- The baseball stadium would be considered a DRI since the original establishment of the Race Track preceded current DRI regulations and mandates.
- The Race Track may have already been re-established at some point as a DRI or may have been recognized by the State as a vested use. In that case, redevelopment of the property as a baseball stadium may only require a determination by the State of Florida Dept. of Community Affairs (DCA) on the impacts created by the baseball stadium. If so, the DCA could issue a "binding letter of interpretation" which could allow the baseball stadium to proceed directly to the building permit stage (or to re-zoning if the City requires such action). The DCA process for issuing such a letter may only take a few months.

## ● Advantages

- Provides another local partner with the City of Hialeah – additional funding potential
- Privately owned land could be made available at no cost – would make site viable
- Location – heavily populated area would add to fan base
- Existing Metrorail provides mass transit access to site for fans
- Provides a major use anchor/destination for other development in and around Race Track
- Good private partnership opportunities for future development
- Entertainment and retail development opportunities

## Hialeah Race Track site - continued

- **Disadvantages**

- Location is congested which may make access by car difficult
- County issues more debt – risk exposure

- **Timeline**

- A complete site analysis would have to be done to determine timing for ballpark – 2010 opening more realistic

- **Other Factors**

- The Race Track contains historic structures which would need to be preserved. The site offers enough land that this should not be a major issue. Possibility to integrate historic aesthetics of the Race Track into the ballpark design.

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# Hialeah I-75 Track Site

- **Estimated Project Costs** – 38,000 seat retractable roof ballpark
  - Build a new ballpark west of I-75 in land included in Application No. 5 to move UDB – 2010
  - The Marlins' ballpark cost estimate for a 2009 opening is \$385 million – needs detailed verification
  - Infrastructure – \$20 million est. – needs verification
  - \$50 million project reserve is included until Marlins' ballpark cost verified
- **Existing Funding (previously approved)**
  - Marlins funding previously approved included \$30 million equity from team and \$162 million in team rent bonds to be issued by the County
  - \$48 million of Professional Sports Tax (bed taxes)
  - \$60 million of Convention Development Tax (bed taxes)
  - Includes \$30 million of Convention Development Tax previously pledged as part of the City of Miami's \$60 million debt issuance which is available for the project

Ballpark	\$385,000,000
Infrastructure	20,000,000
Reserve	50,000,000
Total Project costs	455,000,000
<u>Team</u>	
Team Rent (County Debt)	162,000,000
Team Contribution	30,000,000
<u>County</u>	
Professional Sports Tax	48,000,000
Conv. Development Tax	60,000,000
Total Funds	\$300,000,000
Gap	(\$155,000,000)

## Hialeah I-75 site - continued

### ● Other Funding Options & Strategies

- Contribution from the City of Hialeah – city funding would be critical to help close funding gap
- Issue more team rent bonds by increasing the annual team rent payments. This could generate another \$18-20 million
- Request more equity/cash contribution from the Team - \$15-20 million
- The County could provide more Professional Sports Tax revenues based on revenue performance and without having to change any growth assumptions on the bed tax – approximately \$12 million
- Seek funding from the State – \$30 million sales tax rebate and/or infrastructure access assistance
- Potential to create a Tax Increment Financing district or Community Development District to provide funding for ballpark and infrastructure

### ● Parking & Transportation Issues

- Available land for development of parking at site – surface or structured parking
- Excellent ingress and egress access from Florida Turnpike

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# Hialeah I-75 site - continued

## ● Land Use, Planning & Zoning Issues

- Currently the property lies outside the County's UDB Line and is designated as Open Land. Application No. 5 of the April 2005 CDMP cycle seeks to move the UDB to incorporate this land into the developable area and change the designation to the Industrial and Office designation. Under this designation "uncommon commercial uses such as amusement uses, and others with unusual siting requirements may also be considered at appropriate locations."
- As part of the CDMP application process, it was determined that transportation improvements will need to be added to the County's Transportation Element of its CDMP.
- The baseball stadium would be considered a DRI. While the CDMP may allow such a use, the property would still require re-zoning as it is currently zoned Agricultural.
- If Application No. 5 is approved, the City would then need to rezone the property for a stadium use and the DRI approval
- The site is located within the East Turnpike Wetland Basin which would require a Class IV Wetland permit with appropriate mitigation prior to wetland impacts
- Old solid waste sites on the land will require environmental clean up

## ● Advantages

- Provides another local partner with the City of Hialeah – additional funding potential
- Privately owned land could be made available at no cost – would make site viable
- Location provides good access from Florida Turnpike and I-75 for both Miami-Dade and Broward County residents

# Hialeah Race Track site - continued

- **Advantages continued**
  - Provides a major use anchor/destination for other development at the site
  - Excellent private partnership opportunities for future development
  - Opportunity for a master plan development with entertainment, retail, business, and hotels
  - Development of this site will facilitate the clean-up of environmental contaminants – has been one of the arguments used in the hearings by the applicant as to why the property should be allowed for development
- **Disadvantages**
  - Viability of this site depends on approval of Application No. 5 to move UDB
  - County issues more debt – risk exposure
- **Timeline**
  - 2010 opening possible
- **Other Factors**
  - Since this site is completely undeveloped, there would be excellent opportunities for a ballpark to act as a major anchor for joint business ventures to develop the area with complementing entertainment and retail establishments and well as business office development. Although a suburban location, access to the site via the Florida Turnpike and I-75 will support heavy traffic flows to the ballpark, including Broward County and even Palm Beach County residents.

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# Other Ballpark Site Options

Below are other ballpark site options which for various reasons are not feasible. Some of these locations have been considered in the past for a ballpark site and have various challenging circumstances.

## ● Bicentennial Park

- Not a realistic option
- Baseball still holds Bicentennial Park as the optimal site for a ballpark
- Land is owned by the City of Miami and aside from a DRI, land use issues are in place
- Environmental clean-up issues/cost due to previous location of Biscayne Chemical Company and Belcher Asphalt and Oil Company
- With only 13 acres required for the ballpark, half the site could remain a city park
- Previous studies found significant traffic and Port of Miami impacts
- Site development currently planned for “Museum Park” as the future home of the new Miami Art Museum and Science Center of the Americas
- Alternative site for museums would have to be located – potential site could be CRA land located west of the Miami Arena
- Existing issues between the City of Miami and Marlins
- City location would provide more funding options such as a contribution from the City and the Downtown Development Agency
- The Marlins’ contribution could increase due to premium location and ability to maximize stadium revenues (ticket surcharge, suites, naming rights, etc.)

# Other Ballpark Site Options - continued

## ● Arena West

- Not a realistic option
- Site is located due west of the Miami Arena as was considered as a possible site during the previous ownership
- Land is government owned by the Southeast Overtown/Parkwest CRA
- Land use and zoning issues in place; DRI issue present & potential environmental issues
- Excellent Metrorail access to the site and available parking in surrounding area
- Develop of County facilities (Overtown Transit Village 1 & 2) east of site severely constrain the site – ballpark may not fit & site lines of downtown impacted
- Closure of NW 7<sup>th</sup> Street and partial closure of NW 2<sup>nd</sup> Ave
- Long-term lease with Poinciana Village – residential impact
- Significant neighborhood impact – eliminates housing & bifurcates Overtown
- Previous study prepared for City of Miami concluded site unacceptable
- Existing issues between the City of Miami and Marlins
- City location would provide more funding options such as a contribution from the City, potential CRA monies as well as from the Downtown Development Agency

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# Other Ballpark Site Options - continued

## ● Orange Bowl Site – due East

- Original option contemplated by City, County and Marlins adjacent to Orange Bowl
- Existing land cost and acquisition impediments remain
- Based on Marlins' ballpark costs, a funding gap of \$75 - \$100 million remains; gap could be higher
- Existing issues between the City of Miami and Marlins

## ● Orange Bowl Site

- Demolish Orange Bowl and rebuild new Orange Bowl and Ballpark on site
- Reduces land acquisition cost - majority of land available on City owned property
- City and University opposition to Orange Bowl demolition
- Existing issues between City of Miami and Marlins

## ● Orange Bowl Site – Dual Use Facility

- Demolish Orange Bowl and rebuild a new dual use facility for Miami Hurricanes and Marlins
- Eliminates all land acquisition costs
- Pools funding for ballpark and Orange Bowl renovations to fund the facility
- Stadium project could incorporate University facilities (classrooms, wellness center, conference halls, etc.)
- City and University opposition to Orange Bowl demolition
- Marlins and University opposition to shared use facility
- Existing issues between the City of Miami and Marlins

# Other Ballpark Site Options - continued

## ● Ballpark site in Far West Miami-Dade

- Available land sufficient to develop a ballpark exists in the far West areas of the County, however, the Team has not indicated a willingness to locate in this part of the County.
- Large tracts of privately owned land exist
- The County owns large tracts of park land in the area off Krome Avenue and SW 8<sup>th</sup> Street
- Trail Glades Gun Range site, which is located at 17601 SW 8<sup>th</sup> Street, contains 160 acres of land
- Remote area with insufficient infrastructure to support a ballpark
- Located outside of the UDB
- Current land use is Parks and Recreation and the site is jurisdictional wetlands. Large portions of the site contain high value, functioning wetlands with high hydrological and biological value – any impact to this would require mitigation.
- The site is within the West Wellfield protection area, which prohibit further development
- There are also planned GOB improvements for the Trail Glades Gun Range

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